

**DIRECT TESTIMONY OF STEVEN J. LEVITAS  
ON BEHALF OF  
THE SOUTH CAROLINA SOLAR BUSINESS ALLIANCE**

**EXHIBIT SJL-10**



# **Report of the Independent Administrator**

Consumers Energy Company – Request For Proposals for Solar  
Generation Projects

**Public Report Issued on: March 18, 2020**

# Independent Administrator Report Contents

Executive Summary.....	3
Introduction.....	3
RFP Purpose, Background .....	3
RFP Schedule .....	3
Summary of Findings .....	4
Preparation Phase.....	5
Overview.....	5
RFP Documents .....	5
Stakeholder Engagement .....	6
RFP Advertisements .....	6
Solicitation Phase .....	8
RFP Issuance .....	8
Pre-Bid Conference Call .....	10
Questions and Answers Log, Process .....	10
Respondent Pre-Qualification .....	10
Proposal Submissions .....	14
Evaluation Phase.....	17
Initial Screening for Eligibility .....	17
Blind Final Evaluation Results.....	18
Selection Phase .....	22
Consumers Energy Confirmation of Selected Proposals .....	22
Enel X Reveal of Selected Blind Proposals.....	22
Provisional Award Notices .....	23
Independent Administrator Conclusions .....	24
Analysis of RFP Process .....	24
Attestations.....	24
Conflict of Interest Declarations .....	25
Recommended RFP Process Improvements .....	26
MPSC Staff Audit.....	28

# Executive Summary

## Introduction

Consumers Energy Company ("Consumers Energy" or the "Company") retained Enel X North America, Inc. ("Enel X") through its *Independent Administrator (IA) for Consumers Energy's Integrated Resource Plan ("IRP") Program Request for Proposals ("IA RFP")* to serve as an independent third-party administrator in support of its supply-side resource solicitations ("IRP Solicitations").

Enel X is based in Boston, MA and has been conducting large-scale energy solicitations on behalf of its utility clients for nearly two decades. Enel X built its proprietary procurement technology and developed robust processes exclusively for energy solicitations. Enel X has continued to invest in technology and has continued to hone its processes with the vision of being the undisputed leader in the high-stakes, high-scrutiny world of large-scale utility energy solicitations.

Enel X has prepared this final Independent Administrator Report ("Final IA Report") in support of the *Consumers Energy Company Request for Proposals for Solar Generation Projects ("Consumers Energy RFP" or the "RFP")* issued on September 30, 2019.

## RFP Purpose, Background

The purpose of the Consumers Energy RFP was to 1) solicit offers for Consumers Energy to acquire solar generation projects and/or solar power purchase agreements ("PPAs") backed by projects located in that portion of the lower peninsula of the State of Michigan that is serviced by the Midcontinent Independent System Operator, Inc. ("MISO") and 2) solicit offers for PURPA qualifying facilities 20 MW and below located within Consumers Energy's electric distribution service territory. Proposals located within this region (MISO's Local Resource Zone 7) were requested to support Consumers Energy's IRP. With its RFP, Consumers Energy sought to acquire solar generation projects and PURPA qualifying facilities that provided the lowest net costs to its customers.

Consumers Energy sought to acquire up to 300 MW of additional aggregate nameplate capacity projects with commercial operation dates on or before May 31, 2022, all located in the State of Michigan's Lower Peninsula to support Consumers Energy's IRP. Of the 300 MW solicited, Consumers Energy sought to acquire 150 MW via long-term PPAs and 150 MW via either build transfer agreements ("BTAs") or Company proposed projects.

## RFP Schedule

The Consumers Energy RFP has followed, and is intended to continue to follow, the schedule detailed below (select dates within the RFP Schedule were/are subject to change as-warranted by Consumers Energy):

ID	RFP Milestone	Date
1	Notification of Upcoming RFP Issued via Email to Potential Respondents	Wednesday, September 25, 2019
2	RFP Issued, Solicitation Website, Documents Go-Live	Monday, September 30, 2019
3	Questions and Answers Window Opens	Monday, September 30, 2019
4	Pre-Bid Conference Call Held	Thursday, October 3, 2019
5	Notice of Intent Package Due	Monday, October 14, 2019
6	Invoices for RFP Application Fees Issued	Wednesday, October 16, 2019
7	Respondents Requiring Remediation Contacted	Monday, October 21, 2019
8	Electronic Versions of LoCs or Wire Transfer Remittance Forms Due	Monday, October 21, 2019
9	Remediation Materials, Actions Due	Thursday, October 24, 2019
10	RFP Application Fees Due	Thursday, October 24, 2019
11	Pre-Bid Financial Security (Hard-Copy LoCs or Cash Deposits) Due	Monday, October 28, 2019
12	Notifications of Pre-Qualification Status Issued to Respondents	Wednesday, November 6, 2019
13	Questions and Answers Window Closes	Friday, November 8, 2019
14	Proposals Due Date	Tuesday, November 12, 2019
15	Initial Respondent/Proposal Eligibility Screening Period Concludes	Monday, November 18, 2019
16	Respondents Notified of Ineligible Proposals	Wednesday, November 20, 2019
17	PPA, BTA Offer Shortlists, Proposal Rankings Provided to Consumers Energy	Monday, December 2, 2019
18	Consumers Energy Provides Enel X with Selected Proposals from PPA, BTA Lists	Wednesday, December 11, 2019
19	Preliminary Award Decisions, Statuses Distributed by Enel X	Friday, December 13, 2019
20	Enel X Provides Consumers Energy with Details of Selected Proposals, Respondents	Friday, December 13, 2019
21	Consumers Energy Begins Due Diligence Review of Selected Proposals, Respondents, Initiates Contracting Phase	Friday, December 13, 2019
22	Consumers Energy Informs Enel X of Need for Alternate Proposals, Respondents	Tuesday, February 25, 2020
23	If Applicable; Consumers Energy Provides Enel X with Selected Alternate Proposals from PPA, BTA Lists	Wednesday, March 4, 2020
24	Final Award Decisions, Statuses Distributed by Enel X	Friday, March 6, 2020
25	If Applicable; Enel X Provides Consumers Energy with Details of Alternate Proposals, Respondents Selected	Friday, March 6, 2020
26	If Applicable; Consumers Energy Begins Due Diligence Review of Selected Alternate Proposals, Respondents, Initiates Contracting Phase	Friday, March 6, 2020
27	Pre-Bid Credit for Unawarded Respondents Cancelled, Returned	Tuesday, June 30, 2020
28	Agreements, Contracts for Selected Proposals Finalized, Executed	-
29	Pre-Bid Credit for Awarded Respondents Cancelled, Returned	Following Contract Execution
30	Contracts, Agreements Submitted to MPSC	-

## Summary of Findings

Enel X conducted and monitored the Consumers Energy RFP process in its entirety. As demonstrated throughout this report, Enel X attests that each element of the RFP process was run in a fair and transparent manner and that RFP results were competitive and reflective of market conditions.

# Preparation Phase

## Overview

Enel X's involvement within the Consumers Energy RFP Preparation Phase spanned from August 1, 2019 (when verbal notice of Enel X's award from the Consumers Energy IA RFP was conveyed) to September 30, 2019 (the date of issuance for the Consumers Energy RFP). The Preparation Phase covered a number of key tasks associated with the development and finalization of RFP documents and materials, the engagement and support of RFP stakeholders, the development and issuance of RFP advertisements, the development of an RFP listserv containing over 200 organizations, and other pertinent pre-RFP release tasks.

## RFP Documents

Enel X reviewed and provided various comments and proposed modifications to a host of Consumers Energy-developed RFP documents and templates. Additionally, Enel X drafted multiple supporting RFP documents and materials for review and approval by Consumers Energy.

The following RFP documents and materials were developed by Consumers Energy:

1. Consumers Energy Company Solar Generation Projects RFP
2. Appendix B: Technical Bid Form
3. Appendix C-1: Build Transfer Agreement Pricing Bid Form
4. Appendix C-2: Power Purchase Agreement Pricing Bid Form
5. Appendix D: Build Transfer Agreement Template
6. Appendix E: Power Purchase Agreement (Transmission) Template
7. Appendix F: Power Purchase Agreement (Distribution) Template
8. Appendix G: Technical Specifications
9. Appendix H: Exceptions to Technical Specifications
10. Appendix I: Value Added Criteria
11. Appendix J: Acceptable Manufacturers List Process
12. Appendix K: Low Income County List
13. Economic Model - BTA
14. Economic Model - PPA

The following RFP documents and materials were developed by Enel X:

1. Megawatt Daily RFP Advertisement
2. Utility Dive RFP Advertisement
3. RFP Notice Email Templates
4. Appendix A: Notice of Intent Package - Due by 5:00 PM EPT on October 14, 2019
5. CEC Co IRP Pre-Bid Conference Call for Consumers Energy Company Solar Generation Projects Held 10032019 - Slide Deck
6. CEC Co Pre-Bid Letter of Credit Package (for Respondents intending to utilize a Letter of Credit in support of pre-bid credit posting requirements)

7. CEC Co Wire Transfer Remittance Form (for Respondents intending to utilize a cash deposit in support of pre-bid credit posting requirements)
8. CEC Co Questions and Answers Log Templates
9. CEC Co IRP 2019 Solar RFP Enel X Solicitation Platform Proposal Submittal Instructions

Stakeholders were granted an advanced look at draft RFP materials and documents, which were posted on Consumers Energy's public Electric Power Notices website (<https://www.consumersenergy.com/electricpowernotices>) prior to the Stakeholder Workshop held on August 26, 2019. Stakeholders were encouraged to provide feedback, which was considered as the final RFP documents and materials were being developed.

## Stakeholder Engagement

Enel X participated within an IRP Competitive Solicitation Workshop ("Stakeholder Workshop") held at Consumers Energy's headquarters in Jackson, MI on August 26, 2019. During the Stakeholder Workshop, representatives from Consumers Energy and Enel X reviewed the Consumers Energy RFP plan and the proposal submittal and selection process before fielding clarifying questions and comments/suggestions from present stakeholders and via email from those not in attendance.

A host of Stakeholder questions and feedback were received and detailed along with Company responses within the *2019 IRP Request for Proposal Stakeholder Workshop Stakeholder Comments and Company Responses* document posted to the Consumers Energy Electric Power Notices website on September 17, 2019.

Further, Enel X attended, and participated within, a meeting with Michigan Public Service Commission ("MPSC") Staff held at MPSC headquarters in Lansing, MI on September 17, 2019. During the September 17, 2019 meeting with MPSC Staff, representatives from Consumers Energy and Enel X discussed and reviewed the final Consumers Energy RFP package and recently published responses to items raised during the Stakeholder Workshop.

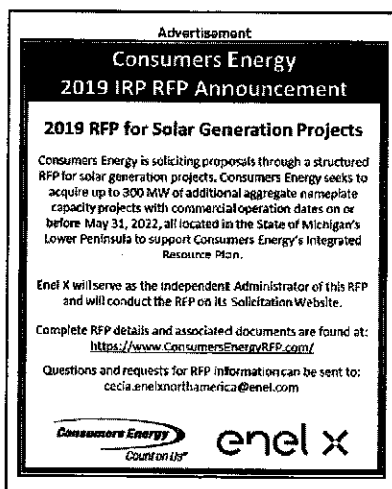
Ample opportunity was afforded to all stakeholders to examine and opine on various Consumers Energy RFP related matters, including a full suite of draft RFP documents. Throughout the Preparation Phase, market participants and stakeholders were kept apprised of the development of the Consumers Energy RFP and solicitation processes.

## RFP Advertisements

Enel X developed and scheduled the publication of two Consumers Energy RFP advertisements, which were reviewed and approved for publication by Consumers Energy. RFP advertisements were run within a daily issue of the S&P Global Platts Megawatt Daily publication and on the public homepage of the Utility Dive website.

### S&P Global Platts Megawatt Daily

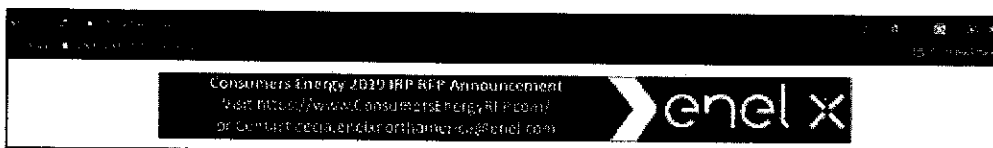
Platts Megawatt Daily is a leading energy industry publication providing a broad audience of market participants with a primary source of daily news and price information. An in-text block Consumers Energy RFP advertisement was inserted within the October 1, 2019 edition of Megawatt Daily (published/distributed on September 30, 2019). The advertisement run contained an overview of the Consumers Energy RFP, a link to the public Solicitation Website (<https://www.consumersenergyrfp.com>), and an email address to the Independent Administrator.



## Utility Dive

Utility Dive is public energy industry news website and daily newsletter that covers a wide breadth of news and trends of impact within the utility industry. The public Utility Dive website attracts 215,000+ monthly unique visitors, with primary viewership by the following company types: Investor Owned Utilities, Municipalities, Solar/Renewables Contractors, Developers, and Energy Performance Contractors.

A banner advertisement for the Consumers Energy RFP was run at the top of the Utility Dive homepage from October 1, 2019 through October 5, 2019, which contained a link to the public Solicitation Website (<https://www.consumersenergyrfp.com>) and an email address to the Independent Administrator.



The publication of RFP advertisements marked the conclusion of the Preparation Phase, at which point the RFP process pivoted into its second stage, the Solicitation Phase.

# Solicitation Phase

The Solicitation Phase of the Consumers Energy RFP process covered a wide range of tasks from the issuance of a preliminary RFP notice on September 25, 2019 through the collection of submitted proposals by November 12, 2019.

During the Solicitation Phase, the Consumers Energy RFP was formally issued, would-be Respondents were engaged by Enel X through various communications channels, Notice of Intent forms and associated Respondent pre-qualification materials were collected, a formal Questions and Answers process was managed, pre-bid credit was collected, proposals were submitted, and an initial IRP solicitation summary was generated, among a host of other support tasks.

## RFP Issuance


On September 25, 2019, a preliminary RFP notice was distributed via email by Enel X to the previously developed RFP listserv. The preliminary RFP notice contained general details regarding the soon-to-be-released RFP and associated documents as well as the email address for the Independent Administrator. Enel X made note of undeliverable email notices and worked to obtain substitute email address for such organizations with invalid email addresses and/or contacts.

On September 30, 2019, a formal RFP release notice containing access instructions was distributed via email by Enel X to the RFP listserv, at which point the public Solicitation Website and RFP documents, materials were made accessible on the Enel X Solicitation Platform (usernames and passwords were not required to access such content). All parties could access the Solicitation Platform website without restriction and without any prerequisite set up work by Enel X (in the same fashion any public website could be accessed). By hosting and promoting (via advertisements) a public RFP website, Enel X ensured that all potential Respondents and other interested parties could access all RFP materials – even if they were not included on the initial RFP listserv.

## Solicitation Website



The Enel X public Solicitation Website containing all Consumers Energy RFP information and associated documents, materials were published on September 30, 2019. The Solicitation Website served as a central RFP data repository throughout the Solicitation Phase and provided all Respondents with a single-site resource for accessing all RFP content necessary to participate within the RFP process and submit proposals.

By utilizing a single site to host all relevant RFP information and documents, Enel X was able to ensure that all Respondents received access to the same materials at the same time. Further, any RFP materials that received updates or amendments were to be uploaded to the Solicitation Website and notice of their upload was to be published, ensuring that parties did not work from stale versions of amended documents.



**ANNOUNCEMENT VIEW: 15162 - CONSUMERS ENERGY COMPANY - REQUEST FOR PROPOSALS FOR SOLAR GENERATION PROJECTS - PRE-BID CONFERENCE CALL SCHEDULED FOR 10/3 - NOTICE OF INTENT DUE 10/14**

**Introduction**

**RFP Overview**

Consumers Energy Company ("Consumers Energy" or the "Company") will seek competitive bids in response to its Request for Proposals ("RFP") from participants in the MISO Energy Market in accordance with the Company's Proposed Course of Action in its Integrated Resource Plan. Enel X North America, Inc. ("Enel X") will administer the solicitation through this Solicitation Website on Consumers Energy's behalf in accordance with the RFP, currently hosted in the 'Documents' section of this website. With this RFP, Consumers Energy will solicit proposals for solar generation projects as described within the posted RFP. Responses to the upcoming RFP will only be accepted through the Enel X Solicitation Website.

**Company Background:**

Consumers Energy is the principal subsidiary of Jackson-based CMS Energy Corporation and is Michigan's largest energy provider, providing electricity and/or gas to almost 7 million of the state's 10 million residents in all 68 counties in the Lower Peninsula. Consumers Energy provides electric service to 1.8 million customers and serves 275 cities and villages in 61 counties. The Company operates 5 coal-fueled generating units, two oil/gas-fueled and two gas-fueled generating units, 13 hydroelectric plants, a pumped storage electric generating plant, two wind-powered energy parks, two solar photovoltaic generation systems and several combustion-turbine plants that produce electricity when needed during peak demand periods. The Company also purchases power from several independent power producers through long term power purchase agreements.

**RFP Purpose and Background:**

The purpose of this Consumers Energy RFP is to 1) solicit offers for Consumers Energy to acquire solar generation projects and/or solar power purchase agreements ("PPAs") backed by projects located in that portion of the lower peninsula of the State of Michigan that is serviced by the Midcontinent Independent System Operator (MISO) and 2) solicit offers for PURPA qualifying facilities 20 MW and below located within Consumers Energy's service territory. Proposals located within this region (MISO's Local Resource Zone 7) are requested to support Consumers Energy's IRP. With this RFP, Consumers Energy is seeking to acquire solar generation projects and PURPA qualifying facilities that provide the lowest net costs to its customers. The structures that Consumers Energy will consider to accomplish the foregoing objectives are described in more detail in Subsection 5.4 of the RFP document.

**Requested Proposals, Projects:**

Consumers Energy seeks to acquire up to 300 MW of additional aggregate nameplate capacity projects with commercial operation dates on or before May 31, 2022, all located in the State of Michigan's Lower Peninsula to support Consumers Energy's IRP. Of the 300 MW solicited, at least 150 MW will be acquired through long-term PPAs.

**Proposal Submittal Process:**

Respondents must be pre-qualified and meet all relevant participation pre-requisites outlined within this RFP and communicated by Enel X in order to submit proposals. Following the communication of pre-qualification statuses on November 6, 2019, pre-qualified Respondents will be provided with detailed proposal submittal instructions. As an overview, Respondents qualified to submit proposals will download relevant proposal templates from the 'Documents' section of this Announcement webpage, complete and save their proposal templates, and then upload those proposal templates into either the PPA submittal portal or BTA submittal portal.

The Solicitation Website remained publicly accessible through the duration of the pre-qualification window. Following the pre-qualification window, the Solicitation Website became private (accessible behind-the-password) and Respondents that were pre-qualified received user accounts to access the private version of the Solicitation Website.

## Respondent Engagement

Enel X made best efforts to engage every invited Respondent individually to ensure receipt of the RFP notice, confirm that they were able to access the Solicitation Website and RFP materials, provide platform training sessions, ensure Respondents were aware of the RFP schedule and milestones, and encourage any open/outstanding questions to be submitted for inclusion within the Questions and Answers log. Enel X also distributed numerous email reminders to all invited Respondents to provide alerts regarding upcoming scheduling milestones and approaching RFP events.

The Enel X Independent Administrator team was accessible to Respondents throughout the RFP process through a variety of communications channels to provide Respondents with any level of required support and guidance.

## Pre-Bid Conference Call

On October 3, 2019, Enel X and Consumers Energy hosted a publicly accessible pre-bid conference call for all interested parties. A recording of the pre-bid conference call was posted on the Solicitation Website the following day, October 4, 2019, for those that were unable to attend the call live. Nearly 70 individuals attended the pre-bid conference call live and numerous other individuals downloaded a recording of the call afterwards.

During the Pre-Bid Conference Call, Consumers Energy and Enel X reviewed pertinent details regarding Consumers Energy RFP for Solar Generation Projects and discussed various RFP participation requirements. While some questions were submitted during the pre-bid conference call, such questions were added to the central Questions and Answers log and not addressed live during the call.

## Questions and Answers Log, Process

A formal Questions and Answers process was launched alongside the issuance of the Consumers Energy RFP on September 30, 2019. All parties were able to submit questions to the central Independent Administrator email account.

Enel X fielded, collated, anonymized, and provided answers to questions on Consumers Energy's behalf when-able within a centrally hosted Questions and Answers document. In the event that Enel X was unable to answer a question, such questions were provided to Consumers Energy for guidance while masking any identifying characteristics of the question submitter. All questions submitted and answers provided were approved by Consumers Energy prior to posting.

In addition to the previously addressed questions contained within the *2019 IRP Request for Proposal Stakeholder Workshop Stakeholder Comments and Company Responses* document posted to the Consumers Energy Electric Power Notices website, a total of 42 unique questions (many parties submitted substantively the same question/questions) were received and addressed across three different issuances of the Questions and Answers log. Each time an updated Questions and Answers log was made available on the Solicitation website a correspondent email notice was issued to the RFP listserv to ensure all parties were aware of its publication.

The third and final iteration of the Questions and Answers log was published on November 5, 2019. On November 8, 2019 the Questions and Answers process concluded.

## Respondent Pre-Qualification

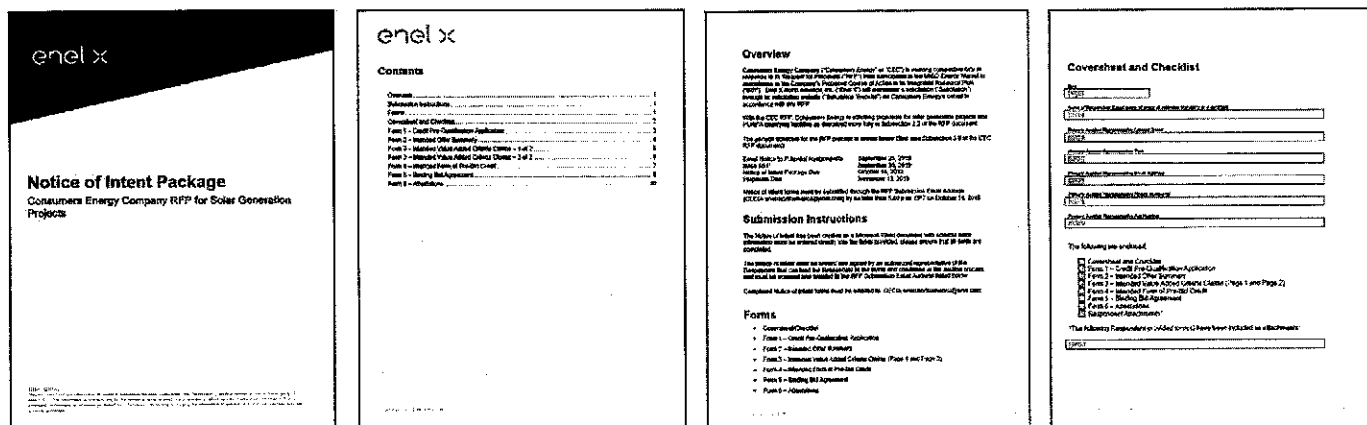
In order to achieve pre-qualification status and obtain permission to submit proposals, RFP Respondents were required to meet a number of participation prerequisites, including the following primary tasks:

- Submit a fully completed Notice of Intent Package (Appendix A) including Forms 1-6
- Furnish non-refundable application fees
- Submit fully completed Credit Pre-Qualification Applications
- Post refundable pre-bid security

## Notice of Intent Package

The Notice of Intent package (Appendix A) included forms that Respondents were required to complete and submit to provide a formal indication of their interest in participating in the RFP process. Notice of Intent packages were due to Enel X on October 14, 2019.

The Notice of Intent package was created as a locked Microsoft Word document with editable fields. Respondents could complete the bulk of the Notice of Intent electronically before printing and physically signing forms requiring signature or utilizing e-signatures. All Notice of Intent packages were sent to Enel X via email.



The following six forms were contained within the Notice of Intent document package:

- **Form 1 – Credit Pre-Qualification Application**
  - Within Form 1 of the Notice of Intent, Respondents were asked to provide general information about their organization and information regarding their financial standing and credit. Respondents were permitted to provide attachments in support of required Form 1 information.
- **Form 2 – Intended Offer Summary**
  - Form 2 of the Notice of Intent served to capture details about the projects Respondents were intending to propose through the RFP process. Respondents were encouraged to carefully select projects that were to-be-conveyed via Form 2 as RFP application fees were calculated and invoiced based on the number of individual projects proposed on Form 2.
- **Form 3 – Intended Value Added Criteria Claims**
  - Form 3 of the Notice of Intent allowed Respondents to convey which value-added criteria they intended to claim for each to-be-proposed project. In the tables on Page 1 and Page 2 of Form 3; Respondents were requested to note the Project IDs as listed in the Project List contained on Form 2 and select the Value Added Criteria they intended to claim for each. Respondents that were not intending to claim any Value-Added Criteria were asked to indicate so by marking the check-box on Page 1 and 2 of Form 3.

- **Form 4 – Intended Form of Pre-Bid Credit**
  - Within Form 4 of the Notice of Intent package, Respondents were asked to note which type of pre-bid security they intended to utilize to meet pre-bid security posting requirements.
- **Form 5 – Binding Bid Agreement**
  - Form 5 of the Notice of Intent package was the Binding Bid Agreement. The Binding Bid Agreements served to bind Respondents to their respective proposal bids per the outlined Award and Confirmation process within the Consumers Energy RFP. An authorized signatory/company representative was required to physically sign the Binding Bid Agreement.
- **Form 6 – Attestations**
  - Form 6 of the Notice of Intent package covered six statements that Respondents were required to attest to. An authorized signatory/company representative was required to physically sign the Attestation form.

Enel X reviewed the information provided by Respondents within submitted Notice of Intent forms and worked with select Respondents to clarify various Notice of Intent form contents as-needed, if-needed.

Under the initial RFP construct, Consumers Energy was to evaluate the credit worthiness of each Respondent based on information conveyed by Respondents within Form 1 of the Notice of Intent package and determine whether or not each Respondent met the established Consumers Energy creditworthiness criteria.

In the interest of limiting the amount of Respondent-identifying information being shared during the Solicitation phase of the RFP process, Consumers Energy elected to change the credit review process and instead perform credit checks on Respondents once proposals had been selected. Consumers Energy requested that Enel X collect relevant financial documentations from Respondents to ensure that Consumers Energy would have sufficient information to conduct its credit checks during the Selection Phase of the RFP process.

## Notice of Intent Packages Submitted

The following table details a summary of the submitted Notice of Intent packages received by Enel X in advance of the October 14, 2019 submission deadline. No Notice of Intent packages were received by Enel X after October 14, 2019 nor were any Respondents denied permission to participate within the RFP process due to inability to meet the Notice of Intent submission deadline (given that all interested parties submitted required forms by October 14, 2019).

Criteria	Value
<b>Total Number of Respondents Submitting Notices of Intent</b>	23
Total Number of Proposed Projects	80
Number of PURPA QF (Up to 20 MW)	48
Number of Solar Generation Facilities (Greater than 20 MW)	32
Total Amount of Proposed Capacity (MW)	3,148.21
PURPA QF Capacity (MW)	632.51
Solar Generation Facilities (Greater than 20 MW) Capacity (MW)	2,515.70

Respondents that submitted Notice of Intent packages received receipt confirmation notices from Enel X, which contained a summary of next-steps within the RFP process.

## RFP Application Fees

Respondents submitting proposals for solar generation facilities with capacities greater than 20 MW were required to pay an application fee of \$300.00 for each project that it intended to offer through the RFP. Respondents submitting proposals for PURPA qualifying facilities with capacities less than 20 MW were required to pay an application fee of \$150.00 for each project that it intended to offer through the RFP. Application fees were only refunded to Respondents in the event that they either failed to obtain pre-qualification status or the RFP was terminated prior to its completion.

Respondents that did not submit owed application fees in-full prior to the remittance deadline outlined within the Enel X invoice (October 24, 2019) were disqualified from submitting proposals through the RFP. Out of the 23 Respondents that submitted Notice of Intent forms, six declined to continue forward in the RFP process and did not ultimately submit RFP application fees. In total, 17 Respondents submitted RFP application fees to Enel X.

The six Respondents that declined to post RFP application fees and withdrew from the RFP process noted a variety of reasons for their decisions – ranging from realization that their proposals did not conform to RFP requirements to simply deciding to pursue other transactional opportunities. Enel X requested additional detail from every Respondent that initially expressed interest in participating within the RFP and later declined, although Respondents often did not provide detailed reasoning(s) behind their withdrawal decisions. No Respondents were denied permission to participate further within the RFP process due to inability to post RFP application fees in a timely manner.

## Pre-Bid Security Collection

All Respondents were required to post pre-bid credit in United States Dollars ("USD"). Respondents were allowed to either post a Letter of Credit or remit cash collateral to satisfy pre-bid credit requirements.

The pre-bid credit posting requirement for all Respondents was set at \$1,500 per MW proposed. As an example, a Respondent submitting multiple proposals with a cumulative offer capacity of 200 MW would be required to post \$300,000 in pre-bid security. Pre-bid credit posting amounts are unique to the projects being proposed – i.e. a Respondent proposing the same project via PPA and BTA arrangements did not need to post double the amount of pre-bid security.

Pre-bid credit posting requirements for Letters of Credit and cash deposits were detailed within the RFP document and posted on the Solicitation Website. Interest was not to be paid on any pre-bid credit provided.

Failure to provide a Pre-Bid Letter of Credit or a cash deposit would result in Respondent's disqualification from submitting proposals within the RFP. Pre-bid credit for parties selected for award will be held through the execution of definitive agreements. Pre-bid credit for parties not selected for award will be returned following the conclusion of the Valid Proposal Duration (by June 30, 2020).

Of the 17 Respondents that submitted RFP application fees, 15 continued forward in the RFP process and posted required pre-bid security.

The two Respondents that did not post pre-bid security noted that they felt that their projects were not far along enough in development to bid given the pre-bid security conditions and anticipated timeline. No Respondents were denied permission to participate further within the RFP process due to inability to post required pre-bid security in a timely manner. Further, Respondents were able to make adjustments if needed to pre-bid security in advance of pre-qualification determinations should their intended offer plan within their Intent to Bid package change.

## Pre-Qualification Statuses

Upon review by Enel X; a total of 15 Respondents were eligible to receive pre-qualification status and permission to offer proposals within the Consumers Energy RFP. Prior to the final determination and conveyance of the pre-qualification status of each Respondent, one of the 15 Respondents withdrew from the RFP process upon realization that they would not be able to submit a conforming proposal.

Ultimately, 14 Respondents received pre-qualification status on November 6, 2019, as detailed below:

Criteria	Value
<b>Total Number of Pre-Qualified Respondents</b>	14

Within the pre-qualification status emails from Enel X, Respondents were provided with a summary of the pre-bid security they posted, a maximum allowed aggregate offer capacity, an Enel X Solicitation Platform username and password, and a detailed Enel X Solicitation Platform user guide (proposal submittal guide).

## Proposal Submissions

The proposal submission window opened for offers at 4:00 PM EPT on November 6, 2019 and was initially scheduled to close at 12:00 PM EPT on November 12, 2019. Proposals were expected from 14 pre-qualified Respondents, all of whom met each relevant RFP participation prerequisite and received authorization to submit proposals.

On the final day of the proposal submittal window, one of the 14 prequalified Respondents contacted Enel X and noted that they decided to withdraw from the RFP process, although they did not provide specific reason(s) for withdrawal when requested by Enel X. The remaining 13 pre-qualified Respondents had either already submitted proposals or expressed verbal or written intent to submit proposals.

## Extension of Submission Window

On the day proposal submissions were due (November 12, 2019), two Respondents noted that they were unable to finalize the proposal submittal process prior to the close of the submittal portal at 12:00 PM EPT that day. The Respondents in question were able to upload their proposal documents to the solicitation platform, although they ran out of time before the final submittal confirmation was clicked through on the platform.

Given the sealed nature of the proposal submittal portal, the pre-qualification status of these Respondents, and the evidence of these Respondents' active efforts to submit their proposals through the solicitation platform, Enel X recommended to Consumers Energy that the proposal submittal window be extended to later in the day

on November 12, 2019 to allow the remaining two Respondents to finalize their proposal submittals within the platform.

The Respondents in question did not gain any competitive advantage in completing the submittal of their sealed proposals later than others (still same day) nor were the Respondents that have submitted sealed proposals earlier in the day be disadvantaged.

Consumers Energy agreed to extend the proposal submittal window and all proposals were successfully submitted by 3:30 PM EPT on November 12, 2019.

## Preliminary Solicitation Summary

Within one business day of the close of the proposal submittal window, Enel X prepared a preliminary, blind (all Respondent-identifying data removed) IRP Solicitation Summary containing the aggregate number of projects offered, the aggregate number of developers, aggregate MWs, highest bid price, and lowest bid price.

Enel X also incorporated a load weighted average price for BTA proposals given that low BTA price would be associated with smaller projects and therefore it would not be representative given the wide range of project capacities bid.

Enel X was instructed to further categorize the aggregate number of projects and total MWs only in the event that each category includes more than 1 project, by technology and whether the project is a Qualifying Facility ("QF") under the Public Utility Regulatory Policy Act of 1978 ("PURPA").

The following table details key components of the Preliminary Solicitation Summary prepared/provided to Consumers Energy on November 13, 2019:

Criteria	Value
<b>Total Number of Respondents Submitting Proposals</b>	13
<b>Total Number of Proposals Submitted</b>	49
BTA Proposals Submitted	24
PPA Proposals Submitted	25
<b>Total Number of Submitted Projects</b>	34
Number of PURPA QF (Up to 20 MW)	15
Total Number of Non-Solar Projects (Landfill Gas)	1
Number of Solar Generation Facilities (Greater than 20 MW)	19
<b>Total Amount of Submitted Capacity (MW)</b>	1,883.33
PURPA QF Capacity (MW)	222.08
Solar Generation Facilities (Greater than 20 MW) Capacity (MW)	1,661.25

## Conclusion of Solicitation Phase

Enel X affirms that all remaining pre-qualified Respondents (excluding the withdrawing party) were able to successfully submit proposals within the Enel X Solicitation Platform. No pre-qualified Respondents were

denied the ability to submit proposals or otherwise limited in their ability to submit proposals, apart from self-derived constraints (posted bid security, application fees, etc.).

Enel X also affirms that throughout the Solicitation Phase, no detail was provided or shared with Consumers Energy containing any Respondent-identifying information that could create any selection bias.

# Evaluation Phase

The Evaluation Phase of the Consumers Energy RFP process spanned from November 13, 2019 through December 11, 2019, with primary components of the Evaluation Phase encompassing the initial screening of submitted proposals and the preparation and delivery of blind final evaluation results to Consumers Energy.

## Initial Screening for Eligibility

Given the level of detail provided within the Consumers Energy RFP materials regarding proposal/project requirements and the full slate of Respondent prerequisite participation requirements, Enel X observed that Respondent proposals were naturally 'self-screened' through the RFP process for the most part. As highlighted by Respondent and project attrition seen through various RFP stages (Notice of Intent submission, RFP application fee posting, pre-bid credit posting, etc.), Respondents removed numerous proposals from the RFP process that did not meet various requirements or had been deemed infeasible.

Upon conducting its initial screening to determine proposal eligibility, Enel X noted that two submitted BTA proposals were invalid due to their proposed acquisition structure. The Respondent that submitted both BTA proposals that were deemed invalid was proposing that Consumers Energy acquire the proposal projects at the time the projects received a Notice to Proceed ("NTP"), at which point Consumers Energy would gain control of the projects and manage the construction process (versus acquiring said projects prior to COD as specified within the Consumers Energy RFP).

Enel X informed the submitting Respondent of the ineligibility of their submitted BTA proposals and the Respondent noted that they expected such an outcome given the non-conforming nature of their proposals. The Respondent in question also submitted standard, valid, PPA proposals and had intended to make another form of offer available under a quasi-BTA construct. No points of contention or arguments were raised regarding the determination of proposal validity.

No further proposals were removed from the Final Evaluation Results. While Enel X was afforded ability, at its discretion, to remove proposals from consideration due to any number of factors, it saw fit to present the most complete array of projects deemed eligible within its' evaluation results.

## Requests for Clarification, Additional Proposal Details

Enel X issued multiple requests for clarification and/or additional proposal details from Respondents that submitted appropriate proposal forms with select fields denoted as either "TBD", "Confidential", or fields that were not entirely clear upon review. Requests for clarification were primarily focused on BTA proposals, with such requests primarily related to obtaining costs to remedy noted technical specification exceptions and land lease cost estimates.

All requests for clarification and/or additional proposal details were related to proposal contents not including bid price (either Net Levelized Energy Payment for PPA proposals or Total Build Transfer Pricing for BTA proposals). At no point were any Respondents allowed to change and/or modify their bid price (in the event a Respondent would attempt to do so while providing clarifying proposal data).

Additionally, Respondents were not allowed to modify any proposal terms that would alter the conforming nature of their proposals. Respondents were not given any advantage or disadvantage as a result of the request for clarification process. By requesting and obtaining additional proposal details, Enel X was simply able to develop a clearer picture of each submitted proposal.

Enel X requested that all Respondents in receipt of requests for clarification provide request proposal detail(s) as soon as possible. Despite efforts to obtain/fulfill all outstanding requests prior to the internal (between Consumers Energy and Enel X) process milestone to circulate blind final evaluation results on December 2, 2019, Enel X received the last of the requested clarifying data on December 5, 2019.

### **Redlines to BTA and PPA Agreements**

Enel X received BTA and PPA contract redlines from Respondents, although given that the Consumers Energy RFP afforded Respondents with the ability to redline provided contracts and negotiate contractual terms, Enel X elected not to disqualify or remove any Respondent on the basis of presented redlines given that such redlines could potentially be remedied during due diligence negotiations.

While the Consumers Energy RFP provided examples of material modifications that would not be considered, a comprehensive list of unacceptable contractual changes was not provided. Further, Enel X elected not to qualify or determine the acceptability of redlined contract changes on behalf of Consumers Energy or pursue contractual discussions related to certain redlined changes.

As stated in Section 9.3 of the Consumers Energy RFP, Consumers Energy's commencement of and participation in negotiations with Respondents selected for preliminary award shall not be construed as a commitment to execute a contract. Only execution of a definitive agreement by both Consumers Energy and the Respondent on mutually acceptable terms will constitute a "winning proposal". As such, Respondents and Consumers Energy are afforded opportunity to establish mutually acceptable forms of contract during due diligence discussions.

## **Blind Final Evaluation Results**

During the Final Evaluation Results phase of the Consumers Energy RFP process, Enel X developed ranked lists of each eligible/valid PPA and BTA proposals utilizing the PPA and BTA Economic Models developed by Consumers Energy.

Within the blind Evaluation Results ranking sheets, Enel X included an individual proposal line item for each valid proposal variant. As an example, if a Respondent submitted the same project and proposal format with an offered cost for a 20-yr term and an offered cost for a 25-yr term, each offered variant would be evaluated and each would receive its own proposal identifier and line item within the ranked list. Enel X would make note of proposals bearing mutually-exclusive award consideration under such scenarios.

Through the conclusion of the Solicitation Phase and during both the Evaluation and Selection Phases, Respondents did not have any insight into the total number of Respondents that had submitted proposals into the RFP, the total number, quantity, or type of projects offered, or the ranking of their submitted proposals

against others. As detailed within Section 9.2 of the Consumers Energy RFP, Respondents were aware of the method of which proposals would be evaluated.

Per Section 9.2 of the Consumers Energy RFP; Proposals were to be evaluated based on projected costs, projected commodity value, and value added criteria. The economic evaluation would consist of first calculating the total projected cost of a proposal. Second, the projected value of the commodities provided by the proposed project would be subtracted from the total projected cost to calculate a net cost for the proposal. Lastly, the value-added criteria will be subtracted from the net cost to determine the final, adjusted net cost of the proposal. Projects were then be ranked based on their adjusted net cost.

Enel X was to provide two separate blind rankings of proposals, one consisting of PPA proposals and another consisting of BTA proposals. Consumers Energy intended to make its selections based on the blind ranking. Consumers Energy would then select winning proposals in order of lowest to highest adjusted net costs with regards to both blind rankings.

## Amendments Made to BTA Economic Model

Per guidance provided by Consumers Energy within its response to Question 31 within the Questions and Answers log, the following adjustments were made to the BTA Economic Model:

- **Investment Tax Credit (“ITC”) Rate**
  - Rather than utilize the BTA Economic Model default ITC rate to evaluate proposal economics, the actual to-be-claimed ITC rate provided by each respondent was input and utilized.
- **Land Lease Cost, Payment Estimates**
  - Respondents were provided with an option to convey their land lease payments, cost structure, and terms instead of being evaluated based on the Economic Model default land lease rate of \$5.00 kW-yr with a 2.5% annual escalator. If land lease values were provided by Respondents and were able to be normalized for the purpose of evaluations, such values were used within the Economic Model.

## Land Lease Considerations (for BTA Proposals)

Enel X produced two versions of the BTA evaluation results to present two means of calculating/applying costs for proposals using land leases or easements; one of which utilized the default land lease rate of \$5.00 kW-yr with a 2.5% annual escalator for all projects with land leases/easements and another that utilized Respondent-provided lease/easement details where-available (not all Respondents provided/disclosed specific lease/easement terms or provided such values that could be normalized for the purpose of uniform evaluation). Provided land terms varied between Respondent proposals – with differing term lengths, lease structures, hybrid land arrangements (utilizing a combination of owned land, leased land, and easements), and variety of costs included.

Within the BTA evaluation results not including actual lease terms, the default land lease rate was used to normalize lease payment evaluation and application across proposals with land lease or easement structures given the variation in Respondent noted lease and easement payment terms, contract durations, and contract optionality.

Enel X provided two versions of the BTA evaluation results so that Consumers Energy could determine whether or not selections should/would be made on the basis of assumed land lease/easement rates or forecasted, proposal-specific, land lease/easement rates.

## Amendments Made to Results Summary Table Templates

The format of the standard Results Summary tables as provided within the PPA and BTA Economic Models were modified by Enel X on the primary ranking sheets to include two additional columns to designate whether or not a proposal has received price adjustments.

Price adjustments were only made to BTA proposals and were attributed to either identified non-reimbursable transmission/network costs not contained within the BTA acquisition price and/or the costs to remedy Respondent-noted technical exceptions. The following table illustrates how a BTA proposal's total acquisition price would be adjusted based on identified costs to remedy/address technical exceptions:

Criteria	Value
<b>Respondent BTA Total Acquisition Price</b>	\$100,000,000.00
<b>Respondent Costs to Remedy Technical Exemptions</b>	\$1,000,000.00
<b>BTA Cost Used to Evaluate, Rank Proposal</b>	\$101,000,000.00

Within the version of the BTA Results Summary table that utilized Respondent-provided land lease costs/values, Enel X added four additional columns to designate/describe the details of land arrangements and the source of the land value(s) used for the purpose of evaluating proposals.

## Distribution of Blind Evaluation Results

On December 5, 2019, Enel X obtained responses to the last remaining requests for clarification and additional information. A final version of the Blind Evaluation Results file was developed and circulated shortly thereafter on December 5, 2019 as well.

Within the email message to which the final iteration of the blind Evaluation Results file was attached, Enel X detailed the nature of the requests for clarification and additional proposal detail received and the proposals to which such information were attributed. As with the initial, interim, version of the blind Evaluation Results file, no Respondent-specific data was conveyed nor were any details provided between the interim and final distribution of the Evaluation Results that would reveal any Respondent-identifying data.

Enel X also made note of any mutually-exclusive proposal variants.

The final Evaluation Results file distributed on December 5, 2019 immediately superseded the interim Evaluation Results file distributed on December 2, 2019 and served as the basis for ultimate selections.

Members of the Consumers Energy and Enel X teams then took part in a conference call on December 6, 2019 to review general questions regarding the RFP process, the process of obtaining requests for clarification and proposal details, and the process of updating the initial, interim, Evaluation Results file. During the December 6, 2019 conference call, no Respondent or project specific details were revealed or provided and Consumers Energy did not convey its provisional award selections or intent. Per an internal process milestone

schedule, Consumers Energy planned to convey its award selections to Enel X on or by December 11, 2019. Award selections were also to be conveyed in writing via email rather than verbally on a conference call.

### Final Blind Evaluation Results Tables

As contained within the PPA and BTA Economic Models, blind Evaluation Results tables were provided to Consumers Energy by Enel X via email on December 5, 2019. The adjusted net cost of the best-ranked PPA proposal was (\$20.62)/MWh and the adjusted net cost of the best-ranked BTA proposal was (\$15.94)/MWh.

Enel X affirms that throughout the Evaluation Phase, no detail was provided or shared with Consumers Energy containing any Respondent-identifying information that could create any selection bias.

## Selection Phase

The Selection Phase of the Consumers Energy RFP process primarily consisted of an independent, internal, review of the Final Evaluation Results conducted by Consumers Energy, which culminated in Consumer Energy's conveyance to Enel X of proposals selected from the Final Evaluation Results for provisional award.

Consumers Energy utilized the final, updated, version of the PPA and BTA Proposal Rankings distributed by Enel X on December 5, 2019 to make its provisional award selections. Consumers Energy ultimately elected to make BTA award selections utilizing the secondary BTA ranking sheet that incorporated Respondent-provided, proposal-specific, land lease/easement cost estimates.

## Consumers Energy Confirmation of Selected Proposals

On December 11, 2019, Consumers Energy informed Enel X via email of the proposal(s) it had selected for provisional award.

A total of cumulative capacity 145.00 MW was selected for provisional award from PPA proposal(s) and a total cumulative capacity of 199.00 MW was selected for provisional award from BTA proposal(s).

## Enel X Reveal of Selected Blind Proposals

On December 13, 2019, Enel X provided Consumers Energy with details of the proposals it selected from the Final Evaluation Results, including the identities of submitting Respondents and associated projects.

Summary tables were provided via email to Consumers Energy on December 13, 2019 for both PPA and BTA provisional award selections (marking the first time that Consumers Energy has been made privy to proposal details):

Enel X provided Consumers Energy with a cataloged inventory of all relevant proposal materials submitted by the Respondents associated with each selected proposal. Enel X provided such information within zip folders via email and redacted/withheld any information regarding other projects/proposals submitted by selected Respondents that are not being chosen for provisional award.

Enel X did not provide Consumers Energy with a complete catalog of all Respondent proposals, as Consumers Energy should remain effectively blind to the proposals not selected for provisional award (should replacement selections need to be made).

## Identification of Selected Proposals on Final Blind Evaluation Results Tables

Previously distributed Evaluation Results tables were updated to reveal the project names and developers of the now-selected proposals and recirculated to Consumers Energy.

## Provisional Award Notices

On December 13, 2019, Enel X distributed provisional award status notices via email to each of the 13 Respondents that submitted proposals into the Consumers Energy RFP. The provisional award status notices for each Respondent contained a listing of the proposals they submitted and a notation regarding whether or not the corresponding proposal had been selected for a provisional award. Respondents were not able to see any proposal data associated with other Respondents, any detail regarding the ranking of their submitted proposals against selected proposals, or any details regarding number of proposals awarded or the detail of such.

Respondents were advised that, pursuant to Subsection 9.2 of the Consumers Energy RFP; Consumers Energy has made provisional award selections and will soon initiate a due diligence review of selected proposals and Respondents.

Included within the provisional award status notifications was language that affirmed that a Respondent's selection for a "provisional award" does not mean that the Respondent is guaranteed a contract with Consumers Energy. Furthermore, Consumers Energy's commencement of, and participation in, due diligence reviews and contract negotiations shall not be construed as a commitment to execute a contract with a Respondent. Only execution of a definitive agreement by both Consumers Energy and the Respondent on mutually acceptable terms will constitute a "winning proposal". Additionally, Respondents not selected for provisional awards were reminded that they must hold proposal terms, and pricing, valid until June 30, 2020 ("Valid Proposal Duration") in the event Consumers Energy elects to pursue alternate proposals.

Additional verbiage within the provisional award notices advised Respondents that if they are selected and they and Consumers Energy cannot agree to acceptable terms within the schedule set forth in Subsection 3.6 of the Consumers Energy RFP, Consumers Energy reserves the right to eliminate them from further consideration and potentially enter negotiations with other projects in the blind Evaluation Results shortlist(s).

Respondents were encouraged to utilize the Consumers Energy agreements in their current form and to limit modifications. Respondents were informed that Consumers Energy will not accept material modifications to the provided template contracts, including but not limited to, essential provisions such as, early termination, indemnity, limitation of liability, commercial operation date and regulatory disallowance.

All Respondents were informed that if Respondents selected for provisional award are later eliminated from award consideration, and it becomes necessary for Consumers Energy to select one or more alternate proposals, such selection(s) are intended to be made within Q1 of 2020.

Enel X affirms that throughout the Selection Phase, no detail was provided or shared with Consumers Energy containing any Respondent-identifying information that could create any selection bias.

# Independent Administrator Conclusions

## Analysis of RFP Process

From the onset of the Consumers Energy RFP process, sharp focus was placed on ensuring the fairness and transparency of the RFP process – across all of its primary phases. Enel X was involved in all primary facets of the RFP process from August 1, 2019 onward and concludes that each primary facet of the RFP process was conducted and managed professionally, fairly, and without bias.

During the Preparation Phase, great efforts were made to engage RFP stakeholders and ensure that stakeholder feedback, comments, questions, and concerns were addressed as much as able.

During the Solicitation Phase, a very wide net, via advertisements and email notices, was cast to ensure a broad market canvassing of the RFP and open-access to all RFP materials by all parties. Across a number of participation prerequisites, all Respondents were held to a uniform standard and provided support to ensure that they could meet such standards. Through the proposal submittal process, all Respondents utilized a standard suite of proposal forms and submitted such forms through the same, central, location on the Enel X Solicitation Platform.

During the Evaluation Phase, Respondents were contacted to clarify proposal attributes and all Respondent proposals were evaluated and scored utilizing the same tools, which had been made available to all parties during the RFP process so that they could see exactly how their proposals would be assessed. During the development of blind Evaluation Results files, Consumers Energy was restricted from accessing any Respondent or project identifying data to ensure that selections could be made in a completely blind environment with no Respondent bias.

During the Selection Phase, Consumers Energy followed a formal process to convey its blind selections prior to receipt of details regarding selected proposals from Enel X. Enel X notified all Respondents of their provisional award statuses in a uniform fashion while providing clear detail and guidance regarding the nature of provisional awards.

Throughout the RFP process, Consumers Energy was effectively limited in its involvement and Enel X, as the Independent Administrator, was able to manage the RFP process without undue influence.

## Attestations

Enel X attests that the following conditions were satisfied:

- The solicitation process was fair;
- The screening factors and weights were applied consistently and comparably to all bids;
- All reasonably available data and information necessary in order for a potential bidder to submit a bid was provided;

- The IA was provided with or given access to all data, information and models relevant to the solicitation process in order to permit full and timely scoring, testing and verification of assumptions, models, inputs, outputs, and results;
- The confidentiality claims and concerns between the IA and the Owner were resolved in a manner that preserved confidentiality as necessary, yet permitted dissemination and consideration of all information reasonably necessary for the bidding process to be conducted fairly and thoroughly; and
- Evaluations were performed consistent with criteria and methods stated under the solicitation protocol document.

## Conflict of Interest Declarations

Enel X contends that there were not real conflicts of interest present with the solicitation Respondents. Consumers Energy and Enel X did, however, receive concerns from a Respondent regarding the Respondent's perceived conflict of interest in having Enel X serve as the Independent Administrator given the presence of other Enel Group entities within the renewable energy development community.

Enel X affirmed to all Respondents that it is a distinct and independent operating company from Enel Green Power (a renewable energy developer). Further, Enel X stated that it does not have a renewable energy development arm or ability/intent to participate within the Consumers Energy RFP process. While both separate Enel entities share part of a common name and holding company, there are no overlapping components between each entity and absolutely no preferential treatment(s), reciprocal or otherwise, given between Enel X and Enel Green Power.

Enel X, as the Independent Administrator, does not, did not, and will not share the sensitive information provided by Respondents with affiliates of Enel or other Enel Group companies. Further, Enel X has conducted and managed all facets of the Consumers Energy RFP process with the utmost transparency while ensuring that all Respondents are treated fairly, equitably, and without bias (real or perceived).

Enel X takes both our partners' and Respondents' confidentiality and the establishment of a level playing field for all Respondents seriously and has detailed protocols to ensure that all confidential information remains confidential and that all administered RFPs afford equal opportunity to every Respondent.

Enel X employees must observe an obligation of confidentiality and neutrality while performing Independent Administrator services, and may not disclose confidential information outside of Enel X (including employees of other companies of the Enel Group, respondents, other customers, etc.) or provide preferential treatment to any respondent. For this purpose, Enel X has established:

- Physical separation of databases belonging to different companies within the Enel group;
- Regulation of access to the Enel X Solicitation Website; and
- Signature of a specific confidentiality and neutrality declaration by each Enel X employee providing these services in order to define a general duty of confidentiality and neutrality in the performance of their activities.

To further enforce such positions, Enel X also offered all Respondents the opportunity to establish a non-disclosure agreement (NDA). Ultimately, two Respondents established NDAs with Enel X to alleviate perceived concerns and no Respondents declined to participate due to any noted conflict of interest (be it with Enel X or other perceived Respondents).

## Recommended RFP Process Improvements

Enel X recommends that Consumers Energy considers the following potential RFP process improvements for future solicitations:

1. Migration from sealed bid proposal submittal process to a live online reverse auction structure. Enel X contends that migration to a live online reverse auction structure will drive multiple RFP process efficiencies, enable greater competition between Respondents, and greatly simplify the evaluation and selection processes.
2. Establishment of a formal process for managing award selections when top ranked proposals are for fractional quantities of sought totals. In the event a top ranked proposal is not for the full quantity solicited by Consumers Energy, Enel X recommends that a process be developed that would afford Consumers Energy with greater flexibility to select proposals that would afford desired quantities.
3. Establishment of locked, forced-response, proposal documents. Enel X recommends that proposal documents be revised and that select fields within proposal documents contain logic that would require Respondents to enter certain values in order to complete.
4. Front-load the collection and review of various proposal documents that are not price-sensitive. Enel X recommends that more proposal-related documents and details be collected from Respondents in advance of the proposal submittal deadline to afford the IA with additional time to review proposal details and to limit the amount of required documents and detail due from Respondents on a single day.
5. Consider extending the RFP timeline (from RFP issuance to proposal submittal deadline). Enel X would recommend releasing the RFP notice and documents further in advance of proposal submittal deadlines.
6. Create a standard process for which macro-level aggregate proposal details may be shared with Respondents. Following the conveyance of provisional awards, many Respondents have requested insight into the level of response seen within the RFP, detail regarding the rank of their proposals, and information relative to the range of pricing seen across BTA and PPA proposals submitted.
7. Consider having Respondents agree-in-principle to accepting an established list of contract terms. Enel X suggests implementing measures to make the contracting process less open-ended and potentially requiring Respondents to formally agree to utilize various components of the provided contract templates in the forms provided.
8. Create contingency RFP schedules and allow the IA greater discretion to enact scheduling adjustments as-needed/warranted. In the event unforeseen circumstances are encountered or should Enel X, Respondents, Consumers Energy, or Stakeholders require additional time during certain periods within

the RFP process, Enel X would recommend that the select scheduling adjustments be allowed and that contingency schedules be created for select RFP tasks.

9. Establishment of Evaluation Models with additional fixed/default calculation/ranking mechanisms. Given the bespoke nature of long-term renewable contracts, both PPAs and BTAs, Enel X recommends that the Consumers Energy Evaluation Models be revised to further limit the amount of Respondent-provided costs, particularly those that are ultimately accounted for outside of proposal prices that are captured within the models.
10. Revisit Valid Proposal Duration length (proposal hold-open period) and pre-bid security return process. Enel X recommends considering a near-term hold-open period and an earlier return of pre-bid security so that Respondents not selected from contract award may seek other transactional opportunities (which could allow Respondents to attribute less risk to participating within the RFP process).

# MPSC Staff Audit

On January 7, 2020, Enel X and Consumers Energy hosted an MPSC Staff audit within a conference room at the Consumers Energy annex in Lansing, MI. The purpose of the audit was to provide MPSC Staff with full visibility into all facets of the RFP, allow MPSC staff to conduct an independent review of RFP processes, the competitive bidding dynamic, proposal rankings, and selections/results while making both the Enel X and Consumers Energy RFP teams accessible for any questions. All MPSC Staff members present signed Non-Disclosure Agreements regarding the information to-be-shared during the audit and no supporting audit materials were allowed outside of the assigned audit conference room.

The audit session began with Consumers Energy providing MPSC Staff with an overview of its RFP and supporting processes, a summary of proposals and capacities selected for provisional award, and a summary of near-term milestones relating to the current RFP and future IRP solicitations. Following its initial remarks, the Consumers Energy team vacated the audit conference room, leaving just the Enel X team and MPSC Staff. Enel X then gave an overview of the RFP materials provided in support of the audit and detailed its involvement in the RFP process as the Independent Administrator.

Enel X made available to MPSC Staff hard and electronic copies of all RFP materials, process documents, response summaries, proposal submissions, proposal evaluations, proposal scoresheets/rankings, and its Draft IA Report. Enel X clearly labeled any confidential materials that were to be kept from Consumers Energy, all of which were removed and hidden in advance of Consumers Energy's re-entrance to the audit conference room. Confidential materials included summaries containing pertinent details of all proposals received as well as all proposal documents submitted by RFP Respondents.

Enel X answered any MPSC Staff questions related to RFP processes and procedures and provided guidance on the materials it made available in support of the audit. In the event questions arose regarding Consumers Energy-developed RFP templates, models, or methodologies, Enel X contacted the Consumers Energy team and requested that they re-enter the audit conference room to address such questions. After the Consumers Energy team addressed open questions, they would then exit the audit conference room to allow MPSC Staff to continue its review of the full scope of RFP materials and documents, including those that were to remain confidential to Consumers Energy.

Prior to the conclusion of the audit, the Consumers Energy team re-entered the audit conference room and provided closing remarks regarding the next-steps within the RFP process and the audit was adjourned. Enel X then collected and securely destroyed all sensitive and confidential materials that were made available in support of the audit. The audit itself ran from approximately 9:00 AM EPT to approximately 3:00 PM EPT on January 7, 2020.

Enel X affirms that during the MPSC Staff Audit no materials were provided to or shared with Consumers Energy containing any Respondent-identifying information apart from the previously circulated details related to proposals selected for provisional award. Further, Enel X affirms that no sensitive RFP materials or proposal documents were ever removed from the audit conference room by parties in attendance.